

# ANNUAL RECONCILIATION STATEMENT



PLEASE TYPE THIS FORM - DO NOT ALTER PREPRINTED INFORMATION

00070103

YEAR ENDED \_\_\_\_\_ DUE \_\_\_\_\_ DELINQUENT IF NOT POSTMARKED OR RECEIVED BY \_\_\_\_\_ YEAR  

EMPLOYER ACCOUNT NO.  

DO NOT ALTER THIS AREA									
DEPT. USE ONLY	P1	P2	C	P	U	S	A		
	T								
	EFFECTIVE DATE		Mo.		Day		Yr.		
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FEIN  

ADDITIONAL FEINS    

A. NO WAGES PAID THIS YEAR ☐

CHECK BOX IF: B. OUT OF BUSINESS ☐ Date  

C. TOTAL SUBJECT WAGES PAID THIS CALENDAR YEAR  

D. UNEMPLOYMENT INSURANCE (UI) (Total Employee Wages up to \_\_\_\_\_ per employee per calendar year)

(D1) UI %   TIMES   =   (D3) UI CONTRIBUTIONS

E. EMPLOYMENT TRAINING TAX (ETT)

(E1) ETT %   TIMES   UI Taxable Wages (D2)..... =   (E2) ETT CONTRIBUTIONS

F. STATE DISABILITY INSURANCE (SDI) (Total Employee Wages up to \$ \_\_\_\_\_ per employee per calendar year)

(F1) SDI %   TIMES   =   (F3) SDI EMPLOYEE CONTRIBUTIONS WITHHELD

G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD   PIT WITHHELD PER FORMS W-2 AND/OR 1099R

H. **SUBTOTAL** (Add Items D3, E2, F3, and G)  

I. **LESS: CONTRIBUTIONS AND WITHHOLDINGS PAID FOR THE YEAR**  
(DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)  

J. **TOTAL TAXES DUE OR OVERPAID** (Item H minus Item I)  

If amount due, prepare a Payroll Tax Deposit, DE 88, and mail to P.O. Box 826276, Sacramento, CA 94230-6276. Mailing payments with DE 7 delays payment processing and may result in an erroneous penalty and interest charges. **Mandatory EFT filers must remit all SDI/PIT deposits by EFT to avoid Non-Compliance Penalty.**

K. Be sure to sign this declaration: *I declare that the information herein is true and correct to the best of my knowledge and belief.*

Signature \_\_\_\_\_ Title \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ Date \_\_\_\_\_  
(Owner, Accountant, Preparer, etc.)

SIGN AND MAIL TO: State of California / Employment Development Department / P.O. Box 826286 / Sacramento CA 94230-6286

**INSTRUCTIONS AND INFORMATION FOR COMPLETING ANNUAL RECONCILIATION STATEMENT**  
FOR ASSISTANCE IN COMPLETING THIS FORM, obtaining additional forms or any information, contact  
**our Employment Tax Customer Service Representative at 1-888-745-3886. For TTY (non verbal) access, call 1-800-547-9565**  
**PLEASE TYPE ALL INFORMATION.**

**INSTRUCTIONS**

**You must file this return even though you had no payroll. If you had no payroll, check the box for Item A and complete Item K.**

**Verify /enter your Federal Employer Identification Number (FEIN):**

The number should be the same as your federal account number. If the number is not correct, line it out and enter correct number. If you have more than one FEIN relating to the state number, enter the additional FEINs in spaces indicated.

**LINE A. No Wages Paid This Year** - Check this box if you did not pay subject wages during the calendar year.

**LINE B. Out of Business (Date)** - Check this box if you quit business and this is your final statement. Show the out of business date.

**NOTE: IF YOU QUIT BUSINESS, YOU MUST FILE THIS FINAL STATEMENT AND THE QUARTERLY WAGE AND WITHHOLDING REPORT AND PAY ANY AMOUNTS DUE WITHIN 10 DAYS OF QUITTING BUSINESS TO AVOID PENALTY AND INTEREST.**

**LINE C. Total Subject Wages** - Enter the total subject wages paid to each employee during the year. Generally, most wages are considered "subject" wages.

**LINE D. Unemployment Insurance (UI)**

**D1. UI Rate** - Note: *If you had a rate change which was not effective for the entire year, you will need to file a separate Annual Reconciliation Statement for the period of time covered by each rate. For tax rate or benefit charge information, call (916) 653-7795.*

**D2. UI Taxable Wages** - Enter total UI taxable wages for the year. **DO NOT INCLUDE EXEMPT WAGES.**

**D3. Employer's UI taxes** - Multiply D1 by the amount entered in D2 and enter this calculated amount in D3.

**LINE E. Employment Training Tax (ETT)**

**E1. ETT rate**    **E2. Employment Training Tax** - Multiply E1 by the amount entered in D2 and enter this calculated amount in E2.

**LINE F. State Disability Insurance (SDI)**

**F1. SDI Rate**

**F2. SDI Taxable Wages** - Enter the total SDI taxable wages for the year. **DO NOT INCLUDE EXEMPT WAGES.**

**F3. Multiply F1 by the amount entered in F2 and enter this calculated amount in F3.**

**LINE G. California Personal Income Tax (PIT) Withheld**

Enter total California Personal Income Tax withheld, as reported on Forms W-2, and/or 1099-R. **NOTE: DO NOT SEND W-2s TO EDD.**  
**CAUTION: TO AVOID A POTENTIAL ASSESSMENT, DO NOT ENTER TOTAL WAGES, FEDERAL WITHHOLDING, OR TOTAL PAYMENTS MADE FOR THE YEAR.**

**All magnetic media of 1099-R must be submitted to:**

Franchise Tax Board                      ATTN: Magnetic Media Coordination, #599  
P.O. Box 942840                              Sacramento, CA 94240-6090

**LINE H. Subtotal** - Add Items D3, E2, F3, and G, enter in the SUBTOTAL box.

**LINE I. Taxes and Withholdings paid for the year** - Total of all payments of UI, ETT, SDI and PIT paid for this calendar year.

**NOTE: Do not include any payments made during the year for any prior years, or payments for penalty and interest.**

**LINE J. Total Taxes Due or Overpaid** - Item H minus Item I (this should be zero if all payments have been properly paid). If amount is due, prepare a Payroll Tax Deposit coupon (DE 88). The payroll date, payment type, and payment quarter must be completed in order to process your payment coupon correctly. Failure to complete these items may result in your payment being posted to the wrong quarter/year and interest and penalty may be assessed. If taxes are overpaid, a refund will be generated.

**LINE K. Signature of preparer or responsible individual, including title, phone number, and date.**

**THIRD PARTY SICK PAY**

**Third Party Payers of Sick Pay:** Include withholdings for Third Party Sick Pay in Item G. Attach a copy of the third party sick pay statement provided to the employer.

**Employers:** Include third party sick pay in lines C, D, and E. **DO NOT** include third party sick pay withholdings in lines G or H. Attach a copy of third party sick pay statement provided by the payer.

**INFORMATION**

**FILING THIS STATEMENT** - This statement must report all UI/SDI subject California wages paid and California Personal Income Tax withheld during the calendar year as shown on the Forms W-2 and/or 1099-R.

**NOTE: DO NOT SEND W-2s TO EDD.**

**PENALTY of \$1,000.00 or five percent (5%)** of the taxes required to be reconciled will be imposed for failure to file this statement within 30 days of notice to the employer because of his/her failure to file. Interest accrues from the **delinquent date of January 31st of the following year.**

**QUARTERLY PAYMENTS:** UI, ETT, and SDI and PIT withholdings are required to be paid at least quarterly throughout the year (SDI and PIT may be paid more often—see below). If you desire to remit these taxes more often you may do so by sending your payment with a Payroll Tax Deposit coupon (DE 88).

**NEXT BANKING DAY/SEMI-WEEKLY/MONTHLY DEPOSITS:**

Deposits of withheld employee SDI taxes and PIT may be required throughout the year, depending upon the amount of PIT withheld and federal deposit requirements. Penalty and interest will be charged on late deposits.

If business was discontinued or if a change in ownership occurred during the period covered by this Annual Reconciliation Statement, each ownership must file a separate statement covering only that part of the year during which the particular ownership operated.

**TAXABLE WAGE LIMITS AND EXEMPT WAGES**—Individual employee wages are taxable to specific limits per calendar year (UI/ETT is **\$7,000** and SDI is **\$56,916**). Wages for each employee in excess of **\$7,000** are exempt from the UI tax and ETT, and wages for each employee in excess of **\$56,916** are exempt from the SDI tax.

If an active business was taken over and continued, wages paid by the former ownership shall be counted toward the UI, ETT, and SDI taxable limits by the new ownership. Otherwise, wages paid by other employers are not to be counted toward the taxable limits.

If an employer paid wages to the same employee for work in another state and reported the wages to the other state for UI purposes, the out-of-state wages shall also be counted toward the UI taxable limits. These wages are NOT used in computing the taxable limit for SDI.

Employers who would like to participate in Electronic Funds Transfer (EFT) filing, contact EDD's EFT Unit at (916) 654-9130.

**FOR MORE INFORMATION ABOUT COMPLETING THIS FORM, PLEASE REFER TO THE CALIFORNIA EMPLOYER'S GUIDE (DE 44) OR CONTACT AN EMPLOYMENT TAX CUSTOMER SERVICE REPRESENTATIVE AT THE NUMBER ABOVE.**